

# **EXHIBIT MM**

1 IN THE UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF CALIFORNIA  
3 SAN JOSE DIVISION

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5 IN RE: HIGH-TECH EMPLOYEE  
6 ANTITRUST LITIGATION,  
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8 Case No. 11-CV-2509-LHK

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12 DEPOSITION OF STEVEN H. CONDIOTTI

13 Wednesday, March 20, 2013

14 CONFIDENTIAL - ATTORNEYS' EYES ONLY

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REPORTED BY: HOLLY MOOSE, RDR-CRR-CRP, CSR NO. 6438

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09:47 1 Q. Mr. Condiotti, I'm handing you an exhibit  
2 that was previously marked Exhibit 944 to the  
3 deposition of Micheline Chau.

4 THE REPORTER: To the deposition of ...

09:47 5 MS. LEEBOVE: Micheline Chau.

6 THE REPORTER: Oh. Thank you.

7 MS. LEEBOVE: C-H-A-W -- or C-H-A-U.

8 Although that's probably not the one you need the  
9 spelling for.

09:47 10 THE REPORTER: That's fine.

11 MS. LEEBOVE: Q. Have you had a chance to  
12 review Exhibit 944?

13 A. Yes.

14 Q. Do you recognize this document?

09:48 15 A. No.

16 Q. Does that mean you did not prepare it?

17 MR. PAIGE: Object to the form.

18 THE WITNESS: I -- I don't recall.

19 MS. LEEBOVE: Q. Do you know who did  
09:48 20 prepare this document?

21 A. I do not.

22 Q. What does it appear to be to you?

23 A. It appears to be a report on the global  
24 compensation project.

09:49 25 Q. Do you know what -- if you turn to page 4

09:49 1 of Exhibit 944, it's the page that says at the top,  
2 "Pay For Performance Total Compensation Strategies."

3 There's a reference on the left-hand side  
4 of the page to "global alignment across divisions."

09:50 5 And I'm wondering if you know what that refers to.

6 A. I do not.

7 Q. Do you have any idea -- just because I  
8 think -- just because I don't. But also at the top  
9 of that page 4, it says in parentheses, right under

09:50 10 the header "Strawman," "To be developed by executive  
11 team" -- or "exec team."

12 Do you have any idea what that's referring  
13 to?

14 A. I do not.

09:51 15 Q. Do you know whether there's ever been a  
16 situation where Lucasfilm believed it had to  
17 increase salaries for particular job categories in  
18 order to prevent attrition?

19 A. I do.

09:51 20 Q. Can you tell me about that.

21 A. There was a point in time where the Bay  
22 Area job market had gotten very hot, and [REDACTED]  
[REDACTED] to address  
24 that.

09:51 25 Q. And is that you moved your -- what do you

09:51 1 mean by you [REDACTED]  
[REDACTED] [REDACTED]?  
3 A. So we targeted within the range of a job to  
4 be the [REDACTED]. And for certain  
09:51 5 positions, mainly in the tech and creative world, we  
6 [REDACTED].  
7 Q. Do you know when that happened?  
8 A. I don't know exactly when.  
9 Q. I believe Ms. Maupin refers to that in her  
09:52 10 declaration as well, and I believe she mentions that  
11 it happened in 2000- --  
12 A. She says approximately 2007 through 2008.  
13 Q. And do you agree with her in that?  
14 A. I -- I would have -- Michelle is the one  
09:52 15 who would know that.  
16 Q. Okay. Were you part of the discussions  
17 about -- assuming there were discussions -- about  
18 [REDACTED]  
[REDACTED] [REDACTED]?  
09:52 20 A. I was.  
21 Q. And what was -- did you concur in the  
22 decision to [REDACTED]  
[REDACTED] [REDACTED]?  
24 A. I did.  
09:52 25 Q. And what was your -- what were -- what was

09:52 1 your position --

2 MR. PAIGE: Object to the form.

3 MS. LEEBOVE: Q. -- about that [REDACTED]

4 [REDACTED]?

09:53 5 MR. PAIGE: Object to the form.

6 THE WITNESS: Can you rephrase that.

7 MS. LEEBOVE: Sure.

8 THE WITNESS: I'm not quite sure I

9 understand what you're looking for.

09:53 10 MS. LEEBOVE: Q. Why did you believe that

11 the -- that Lucasfilm should [REDACTED]

12 [REDACTED]

13 [REDACTED]?

14 A. 'Cause there were some key positions where

09:53 15 we were losing employees to other firms.

16 Q. Do you know what the expense is associated

17 with losing an employee?

18 A. I do not know an exact number.

19 Q. Have you ever estimated, as a percentage of

09:53 20 an employee's base salary, how much it costs to

21 replace an employee?

22 A. No, I have not.

23 Q. Why does -- why did Lucasfilm not want to

24 lose employees?

09:54 25 MR. PAIGE: Object to the form.

09:54 1 MS. LEEBOVE: Q. Around -- well, when  
2 Lucasfilm decided to [REDACTED]

3 [REDACTED]  
4 [REDACTED] in order to prevent attrition, why --  
09:54 5 well, why was -- why was Lucasfilm interested in  
6 preventing attrition?

7 MR. PAIGE: Object to the form.

8 THE WITNESS: We were looking to prevent  
9 attrition because it can be disruptive at times.

09:54 10 MS. LEEBOVE: Q. Is there any other reason  
11 why Lucasfilm would want to prevent attrition?

12 MR. PAIGE: Object to the form.

13 THE WITNESS: I'm sure there are other  
14 reasons, but I could not tell you off the top of my  
09:54 15 head.

16 MS. LEEBOVE: Q. Are any of the reasons  
17 why Lucasfilm would want to prevent attrition  
18 financially based?

19 MR. PAIGE: Object to the form.

09:55 20 THE WITNESS: Yes, I believe they are.

21 MS. LEEBOVE: Q. Has Lucasfilm since

22 [REDACTED]  
23 [REDACTED]?

24 A. We have.

09:55 25 Q. Is that for all jobs?

09:57 1 A. No.

2 Q. When does the compensation committee not

3 have to become involved in an out-of-cycle raise?

4 A. I would have to yield that back to

09:57 5 Michelle.

6 Q. Okay.

7 MS. LEEBOVE: Are we on Exhibit 2082?

8 THE REPORTER: 2081.

9 MS. LEEBOVE: Oh, in that case, please have

09:57 10 that marked Exhibit 2081.

11 (Plaintiffs' Exhibit 2081

12 marked for identification.)

13 (Discussion off the record.)

14 MS. LEEBOVE: Q. Have you had a chance to

10:00 15 review Exhibit 2081?

16 A. Yes.

17 Q. And just for the record, it's a document --

18 two-sided document bearing the Bates stamp

19 LUCAS00218340 to .-341.

10:00 20 Do you recognize this exhibit, 2081?

21 A. No.

22 Q. What does it appear to be to you?

23 A. It appears to be an email regarding a

24 request to change someone's compensation.

10:00 25 Q. Do you have any reason to believe that



10:00 1 this -- that you weren't one of the recipients of  
2 each of the emails that are reflected on  
3 Exhibit 2081?

4 A. No. I believe I probably saw this at the  
10:00 5 time.

6 Q. Okay. Having reviewed Exhibit 2081, what  
7 is your understanding of the reason why this -- this  
8 [REDACTED] salary -- or why an increase is being  
9 sought for [REDACTED]?

10:01 10 A. Well, the original request was he was  
11 moving into the R&D quality group, so he was  
12 changing jobs.

13 Q. And it appears that his salary had been  
14 increased from [REDACTED] --

10:01 15 A. Correct.

16 Q. -- when that -- when he switched jobs.

17 A. That appears to say that, yes.

18 Q. Okay. What do you understand or did you  
19 understand Michelle Maupin to be referring to?

10:02 20 A. In which one?

21 Q. When she expresses:

22 "Steve Sullivan is very concerned that  
23 [REDACTED] will be making less than the new-hire  
24 and is the lead."

10:02 25 And I'm looking in particular at the

10:02 1 earliest-in-time message of this exhibit, from  
2 Tuesday, July 24th, 2007, at 10:16 a.m.

3 A. Steve Sullivan was the department head.

4 Q. Okay.

10:02 5 A. And it looks like they were going to have a  
6 new-hire in the department who could be making more  
7 than [REDACTED], who had the lead position in the  
8 department.

9 Q. Do you see that as a problem, for a new  
10:02 10 employee in a department to be making more than his  
11 or her lead?

12 MR. PAIGE: Object to the form.

13 THE WITNESS: Again, there's facts and  
14 circumstances around every position. And I don't  
10:02 15 know what the facts are and what the job  
16 responsibilities and the training of the people in  
17 question are.

18 MS. LEEBOVE: Q. Is this an example of an  
19 out-of -- of an out-of-cycle increase that's being  
10:03 20 sought for [REDACTED]?

21 A. Yes.

22 Q. And so which type of out-of-cycle  
23 adjustment would you classify this as?

24 A. Well, there appears to be two. He was  
10:03 25 moving into a new position, and then his manager

10:03 1 asking for a second adjustment for some sort of  
2 change in market condition.

3 Q. Which -- where do you see a reference to an  
4 adjustment being sought for [REDACTED] based on a  
10:04 5 change in market condition?

6 A. The -- that they were hiring someone in at  
7 a -- at a higher rate.

8 Q. Is it common for someone to be hired into a  
9 department at a higher rate than his or her lead?

10:04 10 MR. PAIGE: Object to the form.

11 THE WITNESS: Again, there are many things  
12 that involve someone's compensation: the position  
13 that they're going into, their experience. And it's  
14 hard to say what the facts and circumstances around  
10:04 15 this position were.

16 MS. LEEBOVE: Q. Do you know whether, as a  
17 member of the compensation committee, you approved a  
18 salary increase for [REDACTED] based on this  
19 correspondence?

10:05 20 A. I don't recall.

21 Q. Do you know whether you asked for more  
22 information before making a decision?

23 A. I don't recall.

24 Q. Does it appear to you that the hiring of --  
10:05 25 on -- of another QA position, as it looks like was

10:05 1 happening -- does it appear to you that the hiring  
2 of this new person may be putting upward pressure on  
3 [REDACTED] salary?

10:05 4 A. Again, every employment situation is  
5 different. It's truly based on the person's  
6 experience, the job requirements. I don't know what  
7 those facts are in this situation.

8 Q. Would you have asked for more of those  
9 facts before approving a raise for [REDACTED]?

10:06 10 A. Possibly.

11 Q. Was the information that you read here,  
12 that it appears you had in front of you on  
13 July 24th of 2007 -- was that insufficient  
14 information to decide whether to raise [REDACTED]

[REDACTED] [REDACTED] [REDACTED]?

16 MR. PAIGE: Object to the form.

17 THE WITNESS: Well, everything is not here,  
18 because you don't have the underlying spreadsheet  
19 that we would have been looking at.

10:06 20 MS. LEEBOVE: Q. And what would the  
21 underlying spreadsheet -- what sort of information  
22 would the underlying spreadsheet typically contain?

23 A. I don't know in this specific case. But in  
24 most cases, when we get a comp request like this, it  
10:06 25 would have the survey data and all of the internal

10:06 1 people that had -- were in similar positions.

2 Q. What's the purpose of knowing the salaries  
3 of the -- or -- and when you say "information about  
4 the internal people in similar positions," do you  
10:07 5 mean salary information?

6 A. Yes.

7 Q. What do -- what does anybody else's salary  
8 have to do with the setting of [REDACTED]  
9 salary?

10:07 10 A. Again, if he's one of a number of people in  
11 a similar job, we're looking to see where he sits,  
12 as well as the others sit, within the pay range.

13 Q. Does -- as a member of the compensation  
14 committee, do you want to see what people in similar  
10:07 15 jobs within the pay range are making in order to pay  
16 employees who are doing similar jobs similarly?

17 MR. PAIGE: Object to the form.

18 THE WITNESS: Well, every person in every  
19 position is different and independent. And it's  
10:08 20 just one of the things that we consider in looking  
21 at setting a compensation range for someone.

22 MS. LEEBOVE: Q. You just mentioned that  
23 every employee is different and independent. Why  
24 did Lucasfilm set salary ranges and a job structure  
10:08 25 in the first instance?

10:08 1 MR. PAIGE: Object to the form.

2 THE WITNESS: Again, every -- you know, the  
3 facts and circumstances around every employee are  
4 different. But there are some things that play into  
10:08 5 a decision, and one of them is the compensation  
6 structure around how each employee matches to  
7 market.

8 MR. PAIGE: We've been going about an hour,  
9 so if you're moving to a new document, time for a  
10:09 10 break?

11 MS. LEEBOVE: Sure.

12 MR. PAIGE: Thank you.

13 THE VIDEOGRAPHER: This is the end of Video  
14 Number 1. The time is 10:09 a.m. We're going off  
10:09 15 the record.

16 (Recess taken.)

17 THE VIDEOGRAPHER: This is the beginning of  
18 Video Number 2 in the deposition of Steven  
19 Condiotti. The time is 11:23 [sic] a.m., and we're  
10:23 20 back on the record.

21 MS. LEEBOVE: May I please have this marked  
22 as Exhibit 2082, please.

23 (Plaintiffs' Exhibit 2082  
24 marked for identification.)

10:23 25 MS. LEEBOVE: Q. Mr. Condiotti, you've

10:40 1 two things: There's a request for hiring of a new  
2 person; and the second is a request for a change in  
3 compensation for [REDACTED].

4 THE WITNESS: Do you mind if we -- can you  
10:40 5 excuse me for a minute?

6 MR. PAIGE: Sure.

7 THE WITNESS: Sorry.

8 THE VIDEOGRAPHER: The time is 10:40.  
9 We're going off the record.

10:40 10 (Recess taken.)

11 THE VIDEOGRAPHER: The time is 10:50 --  
12 make that -51. We're back on the record.

13 MR. PAIGE: And just to note, we went off  
14 the record 'cause Mr. Condiotti's got a bit of a  
10:51 15 bug. And appreciate you allowing him to go use the  
16 rest room for a few minutes.

17 MS. LEEBOVE: Oh, certainly.

18 MR. PAIGE: So thank you. And sorry for  
19 the interruption.

10:52 20 MS. LEEBOVE: Sure. And if you -- I guess  
21 I -- I should ask you, do you -- are you feeling  
22 well enough to -- to give testimony today?

23 THE WITNESS: Let's see how far we can get.

24 MS. LEEBOVE: Okay. And if -- if -- if you  
10:52 25 need to take a break, by all means --

10:52 1 MR. PAIGE: Appreciate that. Thank you.

2 MS. LEEBOVE: -- let me know.

3 Q. I think we left off -- you were looking at  
4 Exhibit 2084.

10:52 5 A. Yes.

6 Q. And I asked what does Exhibit 2084 appear  
7 to be to you.

8 A. I think I said there were two things: We  
9 were looking to hire a new employee, and to do a  
10:52 10 salary adjustment for [REDACTED].

11 Q. And you had mentioned, with respect to one  
12 of our prior exhibits -- I believe that was  
13 Exhibit 2081 -- that you are -- that it was missing  
14 the attachments that would typically accompany a  
10:53 15 request for an out-of-cycle adjustment.

16 Does Exhibit 2084 appear to constitute a  
17 complete request, as you were accustomed to seeing  
18 them?

19 A. Yes, other than the fact that the people  
10:53 20 are missing. But yes.

21 Q. Oh, do you mean that the names are  
22 redacted?

23 A. Redacted, yes.

24 Q. Okay. And so what was the basis for the  
10:53 25 request for an out-of-cycle adjustment for [REDACTED]



10:53 1 [REDACTED]?

2 A. It appears that he was looking to leave,  
3 and compensation was one of the reasons why.

4 Q. And is it your understanding that Lori --  
10:54 5 is it Lori Gianino?

6 A. Gianino, yes.

7 Q. Who -- who is Lori Gianino?

8 A. She's the director of IS, information  
9 systems.

10:54 10 Q. Is Lori Gianino still the director of IS?

11 A. She is.

12 Q. Is it your understanding that Lori was  
13 seeking a raise for [REDACTED], to prevent him from  
14 leaving the company?

10:54 15 A. She was.

16 Q. And so why would you, as a member of the  
17 compensation committee, want to see what other  
18 folks -- what [REDACTED] peers were making in  
19 order to decide whether to give him a salary  
10:55 20 adjustment?

21 A. Again, it gives us an ability to see who  
22 else is in a similar position and where they are  
23 within their range.

24 Q. Is there a certain percentage of salary  
10:55 25 amount -- well, let me back up.

10:55 1 Where an out-of-cycle adjustment is  
2 requested above a certain percentage of someone's  
3 salary, is there a cutoff, where it either has to go  
4 to -- where it has to go to the compensation  
10:55 5 committee?

6 A. I believe there is, but I don't know  
7 exactly where that cutoff is.

8 Q. And do you see the second -- what appears  
9 to be the second-in-time -- or make that the  
10:55 10 fourth-in-time email message from Vanessa Hall to  
11 Michelle Maupin, cc'ed to you? It's the one in the  
12 middle of that first page, dated Thursday,  
13 October 11, 2007.

14 A. I don't believe I was cc'ed on that.

10:56 15 Q. Oh, you're absolutely right.

16 The message states that -- that your --  
17 that it was with your approval that Lori was  
18 pursuing an out-of-cycle adjustment for [REDACTED]

19 A. That's what it says, yes.

10:56 20 Q. Do you know whether, in order for you to  
21 approve an out-of-cycle equity adjustment, would you  
22 have had to see the market data and the peer data --

23 A. Again, I don't --

24 Q. -- for [REDACTED]?

10:56 25 A. I don't know the facts and circumstances

11:57 1 on?

2 A. We look at a number of different factors.  
3 One is CPI. The other is the survey data and what  
4 other companies are doing with respect to merit and  
11:57 5 adjustments.

6 Q. What does CPI stand for?

7 A. Consumer price index. Basically we look at  
8 inflation.

9 Q. Has Lucasfilm, in your -- during your  
11:57 10 tenure there, ever increased the salary budget  
11 midyear?

12 A. I could not tell you one way or the other.

13 Q. Have you ever had an experience where a  
14 manager wants to give a salary increase and there  
11:58 15 isn't money left in the budget for him or her to do  
16 so?

17 A. Yes.

18 Q. And what happens in that circumstance, when  
19 a manager wants to give a salary increase but  
11:58 20 doesn't have money in his or her budget to do so?

21 A. Then we don't give the salary increase.

22 Q. Has -- has a salary budget ever been  
23 increased in order to allow for additional salary  
24 increases --

11:58 25 MR. PAIGE: Object to the form.

11:58 1 MS. LEEBOVE: Q. -- beyond the budget that  
2 was initially set?

3 A. I don't know off the top of my head if  
4 that's ever happened. But as a generality, we do  
11:58 5 not move off of our salary budget.

6 Q. Is it fair to say that Lucasfilm was  
7 willing to pay [REDACTED] more money in response to  
8 a competitive offer from Google?

9 A. Yes, it appears that we were willing to pay  
11:59 10 him slightly more, based on an offer that he  
11 received.

12 Q. This has already been marked as Exhibit  
13 354 -- or, Mr. Condiotti, I'm handing you an exhibit  
14 that's previously been marked Exhibit 354 to the  
12:00 15 deposition of Sharon Coker.

16 Please take a look and let me know when  
17 you've had a chance to review it.

18 A. Okay.

19 Q. I think you mentioned earlier that there  
12:01 20 were -- you identified three reasons for  
21 out-of-cycle increases -- or three potential reasons  
22 for out-of-cycle increases: One was when an  
23 employee asks; the other was that as Lucasfilm  
24 looked at the job family, somebody was not placed  
12:01 25 properly; and the third was a competing offer.

12:01 1 With that in mind, what -- what is -- what  
2 does Exhibit 354 appear to be to you?

3 MR. PAIGE: Object to the form.

4 THE WITNESS: That [REDACTED] manager  
12:02 5 is looking for us to look at his compensation  
6 because she's lost some other people in that  
7 department.

8 MS. LEEBOVE: Q. Does it appear that  
9 there -- that [REDACTED] had a competing offer at  
12:02 10 the time that Gail Currey sent this message to you  
11 and others?

12 A. I don't know.

13 Q. And just backing up for a moment, do you  
14 have any reason to believe that these emails weren't  
12:02 15 sent to and from the folks listed here, at the dates  
16 and times listed here as well?

17 A. No.

18 Q. Do you know whether the events described in  
19 this email happened around the time that Lucasfilm  
12:02 20 was considering [REDACTED]

21 [REDACTED] --

22 A. I do not.

23 Q. -- for salaries?

24 Was there a particular -- well, do you  
12:03 25 understand what was happening at the time of this

12:10 1 that has gone through a lot of change, which the  
2 Internet group, at the time, had.

3 Q. Okay. And is that a review that you would  
4 typically do on an annual basis?

12:11 5 A. That is outside my sphere of knowledge.

6 Q. Okay.

7 THE WITNESS: Do you think we can take a  
8 break?

9 MR. PAIGE: Yeah, can we take a quick

12:11 10 break?

11 MS. LEEBOVE: Sure.

12 THE VIDEOGRAPHER: This is the end of Video  
13 Number 2. The time is 12:11 p.m. We're going off  
14 the record.

12:20 15 (Recess taken.)

16 THE VIDEOGRAPHER: This is the beginning of  
17 Video Number 3 in the deposition of Steven  
18 Condiotti. The time is 12:20 p.m. We're back on  
19 the record.

12:21 20 MS. LEEBOVE: May I have this exhibit  
21 marked 2095, please.

22 (Plaintiffs' Exhibit 2095  
23 marked for identification.)

24 MS. LEEBOVE: Q. I want -- to start off, I  
12:23 25 want to apologize to you because my copy of this

12:23 1 actually has the attachment, although I'm not  
2 certain that the attachment is relevant. Though if  
3 you need to see it, I'm happy to share my copy with  
4 you, Mr. Condiotti.

12:23 5 Do you recognize Exhibit 2095?

6 A. I do not.

7 Q. Do you have any reason to believe the  
8 emails weren't sent and received by the folks at the  
9 dates and times listed here?

12:23 10 A. I do not.

11 Q. Okay. Do you understand -- what is this --  
12 what are these email messages about that are  
13 reflected on Exhibit 2095?

14 A. It is about the fact that Google has --

12:24 15 is -- was adopting the same programming language  
16 that we use for our IS Tools and what effect that  
17 might have on our employee base.

18 Q. And what effect might it have had on  
19 Lucasfilm's employee base that Google was adopting  
12:24 20 the same programming language that Lucas used?

21 A. That Google would probably start recruiting  
22 from our employees.

23 Q. Why is that a concern?

24 A. 'Cause at the time, Google was known to be  
12:24 25 paying considerably more than we paid.

12:24 1 Q. And why was it a concern that Google was  
2 paying more than Lucasfilm was paying?

3 A. Because for some people, compensation is  
4 the driving force in the reason to take a position.  
12:24 5 For others, it's not. But it was a concern.

6 Q. And was there a particular concern here  
7 with respect to [REDACTED] --

8 A. [REDACTED]  
9 [REDACTED]

12:25 10 A. He is our most senior -- at the time was  
11 our most senior Python programmer.

12 Q. Python is the --

13 A. Language.

14 Q. -- is the language?

12:25 15 A. (Nonverbal response.)

16 Q. Does [REDACTED] still work for  
17 Lucasfilm?

18 A. I believe he does.

19 Q. And so do you know whether [REDACTED]  
12:25 20 was offered additional compensation in response to  
21 this potential threat from Google?

22 A. I do not know.

23 Q. Do you know whether Lori Gianino's  
24 employees' salary ranges were adjusted in response  
12:26 25 to a potential recruiting threat from Google?



12:26 1 A. I do not know.

2 Q. Was Lucasfilm willing to increase  
3 [REDACTED] compensation in response to a  
4 perceived recruiting threat from Google?

12:26 5 A. I do not know the outcome of this  
6 particular situation.

7 Q. Do you know whether [REDACTED] received  
8 a job offer from Google?

9 A. I do not know.

12:26 10 Q. Was there ever a concern that the fact that  
11 Google was beginning to use this Python language  
12 would end up driving up salaries at Lucasfilm?

13 MR. PAIGE: Object to the form.

14 THE WITNESS: Yes. There was some concern  
12:27 15 that it could drive up the price of our Google  
16 programmers -- our Python programmers. But again,  
17 especially within the IS group, people come to  
18 Lucasfilm for the type of work that they'll be doing  
19 and the projects that they're involved in.

12:27 20 MS. LEEBOVE: Q. Did you ever decrease the  
21 salaries that Lucasfilm offered to folks in the IS  
22 department?

23 MR. PAIGE: Object to the form.

24 THE WITNESS: I -- we don't traditionally  
12:27 25 decrease employees' salaries.

12:27 1 MS. LEEBOVE: Q. Why?

2 A. I don't know of any company that decreases  
3 employees' salaries. It's not something most  
4 companies do.

12:27 5 Q. Would you expect that Lucasfilm would lose  
6 employees if Lucasfilm decreased their salaries?

7 A. I believe that -- you know, I don't want to  
8 speculate there, but I would imagine so.

9 Q. Do you think it's fair to say that if  
12:28 10 competition for employees was eliminated, that this  
11 would allow Lucasfilm to stabilize employee  
12 salaries?

13 MR. PAIGE: Object to the form.

14 THE WITNESS: And, again, I would not want  
12:28 15 to speculate one way or another on that.

16 MS. LEEBOVE: Q. If competition for  
17 employees can drive up their salaries, does a lack  
18 of competition suppress their salaries?

19 MR. PAIGE: Object to the form.

12:29 20 THE WITNESS: I do not want to speculate on  
21 that.

22 MS. LEEBOVE: Q. Had Google not been  
23 competing for [REDACTED], would Lucasfilm have  
24 independently sought to increase his salary?

12:29 25 MR. PAIGE: Object to the form.

02:01 1 designer is different than project leader, as well  
2 as at this particular point in time, the lead  
3 designer position was a hot commodity. And  
4 sometimes there are certain positions within a  
02:01 5 production that you need to pay slightly more than  
6 others for.

7 MS. LEEBOVE: Q. Are you aware of any  
8 instances where a project lead is making less money  
9 than one of his or her reports on a project?

02:02 10 A. I do not know the compensation of all the  
11 project leads and their reports.

12 Q. Have you ever approved a salary increase  
13 for a project lead whose reports on the project are  
14 making more money than he or she is, just for the  
02:02 15 reason that the reports are making more money than  
16 the project lead?

17 A. I don't recall.

18 Q. When you say you don't recall, do you not  
19 recall that it didn't happen or you don't recall one  
02:02 20 way or the other?

21 A. I don't -- I don't recall, you know, an  
22 example that I can state.

23 Q. Okay. I think you -- or you should still  
24 have in front of you Exhibit 2088.

02:03 25 A. Okay.

02:03 1 Q. And I'm not sure that I asked you this  
2 question, but your counsel probably will remember:  
3 You state in the second-to-last sentence of the  
4 second paragraph:

02:04 5 "We have plenty of people all over  
6 finance with more experience and more  
7 responsibility, making at or near the  
8 salary you're suggesting for [REDACTED]. And,  
9 frankly, giving her that money will cause  
02:04 10 all sorts of internal equity issues."

11 What did you mean by that sentence?

12 A. I meant that there are people whose job  
13 responsibilities in finance were similar to  
14 [REDACTED], and we wanted -- again, didn't want to get  
02:04 15 our salary -- for her to be different than where we  
16 were with other people. And finance is the one  
17 place where people do see salary information.

18 Q. Oh, I see. So you would be concerned about  
19 her colleagues seeing how -- you would be concerned  
02:04 20 about [REDACTED] colleagues being able to see how much  
21 [REDACTED] was making relative to their salaries?

22 A. Correct.

23 Q. Okay. What did you mean by the next  
24 sentence, specifically after the comma:

02:05 25 "Though I don't believe the new number

02:05 1 you suggest would put enough distance  
2 between the two"?

3 A. Well, when you looked at the job  
4 responsibilities between [REDACTED], who was the junior  
02:05 5 person in the department, and [REDACTED], who was the  
6 mid-level person in the department, you want to pay  
7 for skill level; and I did not believe, nor do I do  
8 today, that she had the skills to get up to this  
9 request that they were asking for. That's why we  
02:05 10 didn't go there. As well as looking at what  
11 [REDACTED] skills were, and others like him, and  
12 saying, okay, if that's what market is for those  
13 skills, we should -- we want to keep a band of  
14 distance between them.

02:05 15 Q. Does the Lucasfilm salary structure  
16 generally keep a band of difference between job  
17 levels in the same job family?

18 A. In job -- job levels in the same job family  
19 usually have a different grade. So yes, there is a  
02:06 20 band difference. But of course, within a -- within  
21 a grade, there is a very large width where someone's  
22 salary can live within that grade.

23 Q. Do you have a sense of how many Lucasfilm  
24 employees' salaries fall within the low end to  
02:06 25 midpoint of the salary range for their position?

## 1 REPORTER CERTIFICATE

2 I hereby certify that STEVEN H. CONDIOTTI  
3 was by me duly sworn to testify to the truth, the  
4 whole truth and nothing but the truth in the  
5 within-entitled cause; that said deposition was  
6 taken at the time and place herein named; that the  
7 deposition is a true record of the witness's  
8 testimony as reported to the best of my ability by  
9 me, a duly certified shorthand reporter and a  
10 disinterested person, and was thereafter transcribed  
11 under my direction into typewriting by computer;  
12 that request [XX] was [ ] was not made to read and  
13 correct said deposition.

14 I further certify that I am not interested  
15 in the outcome of said action, nor connected with,  
16 nor related to any of the parties in said action,  
17 nor to their respective counsel.

18 IN WITNESS WHEREOF, I have hereunto set my  
19 hand this 1st day of April, 2013.

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HOLLY MOOSE, CSR NO. 6438

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